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ABSTRACT

Prepared to assist the Board of Governors of the California Community Colleges in the development of its "1990-91 Basic Agenda," this paper discusses several major statewide trends with important implications for California's community colleges. The paper offers data on population and enrollment growth, labor market changes requiring community colleges to educate new workers for new jobs, transportation and parking, training and retraining, national and international developments, and taxing and spending. Specific trends and projections presented in the paper include the following: (1) rapid population growth will continue; (2) community college enrollment will increase substantially; (3) the state's population will age and become more diverse; (4) the economy will produce more jobs requiring higher skills; (5) California's labor force will change substantially, incorporating greater numbers of women and minorities; (6) the need to educate underrepresented minorities will increase; (7) more students will commute to retrain; (8) the need for new instructional methods will increase; (9) more students will be immigrants; (10) Pacific Rim trade will continue to benefit the state's economy; (11) the state may or may not be affected by reductions in defense; (12) bonding may not be sufficient for needed capital outlays; and (13) Proposition 111 will expand educational spending in the current decade. Tables, charts, and graphs illustrate the trends throughout the document. (JMC)

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TRENDS OF IMPORTANCE TO COMMUNITY COLLEGES

Background paper prepared for

Board of Governors Retreat
Palm Springs, California
April 1990

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RESEARCH AND ANALYSIS UNIT
CHANCELLOR'S OFFICE
CALIFORNIA COMMUNITY COLLEGES

APRIL 1990
SACRAMENTO, CALIFORNIA

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CHANCELLOR'S OFFICE
GEORGE DEUKMEJIAN, Governor

CALIFORNIA COMMUNITY COLLEGES
1107 NINTH STREET
SACRAMENTO, CALIFORNIA 95814
(916) 445-8752

PLANNING DATA FOR CHANCELLOR'S OFFICE STAFF RETREAT JANUARY 18, 1989

RESEARCH AND ANALYSIS
CHANCELLOR'S OFFICE

TRENDS	POSSIBLE IMPLICATIONS
(1) STATE IS GROWING >600,000 PER YEAR HALF ARE IMMIGRANTS TOTAL UP 1/4 BY YEAR 2005	• OVER 400,000 MORE STUDENTS BY 2005 • NEW COLLEGES/CENTERS NEEDED WHILE OLDER COLLEGES HAVE AGING FACILITIES AND EQUIPMENT AND/OR ARE INCOMPLETE
(2) BECOMING OLDER 35-54 COHORT FASTEST GROWING	• WILL ENROLL MORE OLDER STUDENTS WHOSE NEEDS DIFFER FROM 18-24 YEAR OLDS: • MORE OFTEN WORKING • WITH CHILDREN, NEED CHILD CARE • WANT OFF-CAMPUS CLASSES AT FLEXIBLE, OFF-JOB HOURS
(3) MORE ETHNICALLY/CULTURALLY DIVERSE MINORITIES 40% NOW 50% BY YEAR 2005 MOST GROWTH: YOUNG HISPANIC ASIAN IMMIGRANT	• WILL ENROLL MORE STUDENTS WHO ARE • IN NEED OF ESL, BASIC SKILLS • LOW INCOME, NEED FINANCIAL AID • FIRST IN FAMILY TO COLLEGE • NOT PREPARED... I.E., MORE DIFFICULT TO EDUCATE • ALL STUDENTS WILL NEED BETTER CROSS-CULTURAL UNDERSTANDING
(4) FEWER TRADITIONAL FAMILIES... MORE SINGLE PARENTS INCREASING TEENAGE PREGNANCY MORE LIVING ALONE	• COLLEGES MAY NEED TO CONVEY VALUES (FORMERLY THRU FAMILY)... STRONGER HUMANITIES, ARTS, GENERAL EDUCATION • MORE SINGLE-PARENT STUDENTS NEED CHILD CARE AND OTHER SERVICES
(5) MORE DISABLED 1/10 AND INCREASING	• CONTINUING NEED FOR SPECIAL SUPPORT TO PREPARE INDIVIDUALS FOR WORK OR TRANSFER
(6) FEWER HIGH SCHOOL GRADUATES ....UNTIL 1992: FEWER 15-18 YEAR-OLDS FEWER GRADUATING	• RELATIVELY FEWER FULL-TIME, TRANSFER STUDENTS... RELATIVELY MORE PART-TIME VOCATIONAL BASIC SKILLS AVOCATIONAL

TRENDS	POSSIBLE IMPLICATIONS
....IN GENERAL, LABOR FORCE IS PROBABLY CHANGING MORE RAPIDLY THAN IS THE NATURE OF WORK.	
(7) STRONG ECONOMY, BUT MORE UNEMPLOYED THAN 1960s	• MORE STUDENTS RETURNING FOR RETRAINING
(8) CHANGING LABOR FORCE OLDER MORE WOMEN MORE MINORITY IMMIGRANTS MORE DISABLED	• CHANGING VOCATIONAL STUDENT MORE WITH LANGUAGE AND OTHER SPECIAL NEEDS
(9) MORE GLOBALLY-INTERDEPENDENT ECONOMY: PACIFIC BASIN 1/4 OF U.S. TRADE LOS ANGELES IS NATION'S #2 PORT	• MORE EMPHASIS IN CURRICULUM ON CROSS-CULTURAL, LANGUAGE, INTERNATIONAL SKILLS...
(10) MORE CAREER/JOB CHANGES DUE TO TECHNOLOGICAL CHANGE... BUT NOT REVOLUTIONARY. .. % PROF., SALES, CLERICAL UP % MANAGERIAL, SERVICE STABLE % CRAFTS, OPERATIVES, LABORERS DOWN	• AGAIN, MORE RETRAINING, BUT POSSIBLY ALSO: NEED FOR VOCATIONAL TRAINING THAT IS MORE GENERAL, LESS SPECIFIC
(11) MOST NEW JOB OPPORTUNITIES IN JOBS THAT NOW EXIST LARGEST GROWING: SECRETARIES FASTEST GROWING: PARALEGAL...	• FAMILIAR JOBS MAY REQUIRE DIFFERENT SKILLS... MORE COMMUNICATIONS, INFORMATION PROCESSING

AGAINST THESE TRENDS, CONSIDER FOLLOWING CONDITIONS:

- FACULTY AGING, LARGE NUMBER OF REPLACEMENTS (BY ALL INSTITUTIONS) AHEAD
- FACULTY COMPENSATION NOT COMPETITIVE IN GROWING FIELDS LIKE BUSINESS, COMPUTER SCIENCE, ENGINEERING
- 38% OF STUDENTS ARE MINORITY - 15% OF FACULTY ARE MINORITY
- BLACK ENROLLMENT IS DECLINING
- 400,000 OF 900,000 ELIGIBLE LEGAL ALIENS ARE BEING EDUCATED (OVER 50,000 IN 70 COMMUNITY COLLEGES)
- FACILITIES AND EQUIPMENT ARE AGING FASTER THAN ARE REPLACED
- FUNDING CAP ON GROWTH DOES NOT RECOGNIZE POLICIES ON EDUCATIONAL NEED OR ECONOMIC DEVELOPMENT
- SINGLE FUNDING RATE (PER ADA) DOES NOT SUPPORT HIGH-COST VOCATIONAL INSTRUCTION.

CONTENTS

Populations and Enrollment Growth 1

Educating New Workers for New Jobs 5

Transportation and Training 10

National and International Developments 10

Taxing and Spending 11

References 14

TRENDS OF IMPORTANCE TO COMMUNITY COLLEGES

This paper discusses several major statewide trends with important implications for California's community colleges. The discussion is meant to serve as background for the Board of Governors as it develops its *1990-91 Basic Agenda.*

Material covered here briefly updates a paper produced for the Board's 1989 Retreat, *The Future: Implications of Emerging and Projected Trends* (April 1989), and an earlier report, *Looking Ahead: Data for Planning* (December 1987). Among the statewide trends of major importance to community colleges are those having to do with the state's demography, job and labor force outlook, transportation infrastructure, and tax structure. National and international developments also have implications for California's community colleges.

POPULATION AND ENROLLMENT GROWTH

■ *Rapid Population Growth Will Continue*

California rapid population growth continues. During the 1980s, California added 5 million new residents, growing from a population of 23.7 million in 1980 to one of 28.3 million in 1988. Not only was the state growing faster than the nation as a whole - California accounted for one of every four of the nation's population increase - but it also was growing faster than anyone had predicted. Actual growth turned out to be about one-third higher than the State Department of Finance (DOF) had predicted in 1986 (Table 1).

TABLE 1
Average Annual
Population Increase

DOF 1986 Estimate for 1985-90 period	481,000
Actual for 1985-89 period	647,000

The state's growth is expected to continue, but there is no consensus as to the exact amount. The Center for the Continuing Study of the California Economy (CCSCE) projects a somewhat higher growth rate than does DOF (Table 2).

TABLE 2
California Population
(in millions)

	1980	1988	2000
Actual	23.7	28.3	
DOF 1986 Forecast		27.8	32.9
CCSCE 1989 Forecast			34.9

If the higher CCSCE forecast proves to be accurate, California will account for one of every three of the nation's added population during the coming decade.

California's population growth is due to (1) natural increase (births less deaths), and (2) foreign and domestic migration. At present, according to DOF estimates, each factor contributes about equally to the

state's growth. And, while foreign immigration is highly publicized, domestic migration to California appears to have increased as well.

■ *Community College Enrollment Will Increase Substantially*

The Department of Finance currently estimates that community college enrollments will increase from 1.4 million students in 1990 to nearly 1.9 million by 2005 (Figure 1). Changes in community college enrollments result from changes in demographics, especially numbers of high school graduates, and economic conditions (as reflected in unemployment), among other factors.

Assuming that facilities will be utilized somewhat more heavily than at present, recent computer simulations by the Chancellor's Office suggest that this growth could require building as many as 24 new colleges by the year 2005 and another five by 2010, the largest such growth since the 1960s (Figure 2).

If the population forecast by CCSCE materializes - that is, if there are at least 2 million more Californians by 2005 than forecast by DOF - there could be as many as 100,000 more community college students in 2005 than are forecast by DOF. This could add another five campuses to the list of needed new colleges, depending upon the location of the added growth.

■ *The State's Population Will Age and Become More Diverse*

Under either population forecast, that of DOF or that of CCSCE, it is expected that roughly seven of every ten new Californians will be either Asian or Hispanic (Table 3). Nearly half of the new population will be immigrants, and the fastest- growing age cohort will be the group between 35 and 54 years old. (See Looking Ahead, 1987.) Consequently, community colleges will enroll more older students who tend to work, need child care, and want off-campus classes at flexible hours. Also, there will be many more students who need instruction in English as a Second Language and basic skills; are low income, needing financial aid; and are the first in their families to attend college, often needing special services and encouragement. All students will need a better understanding of different cultures.

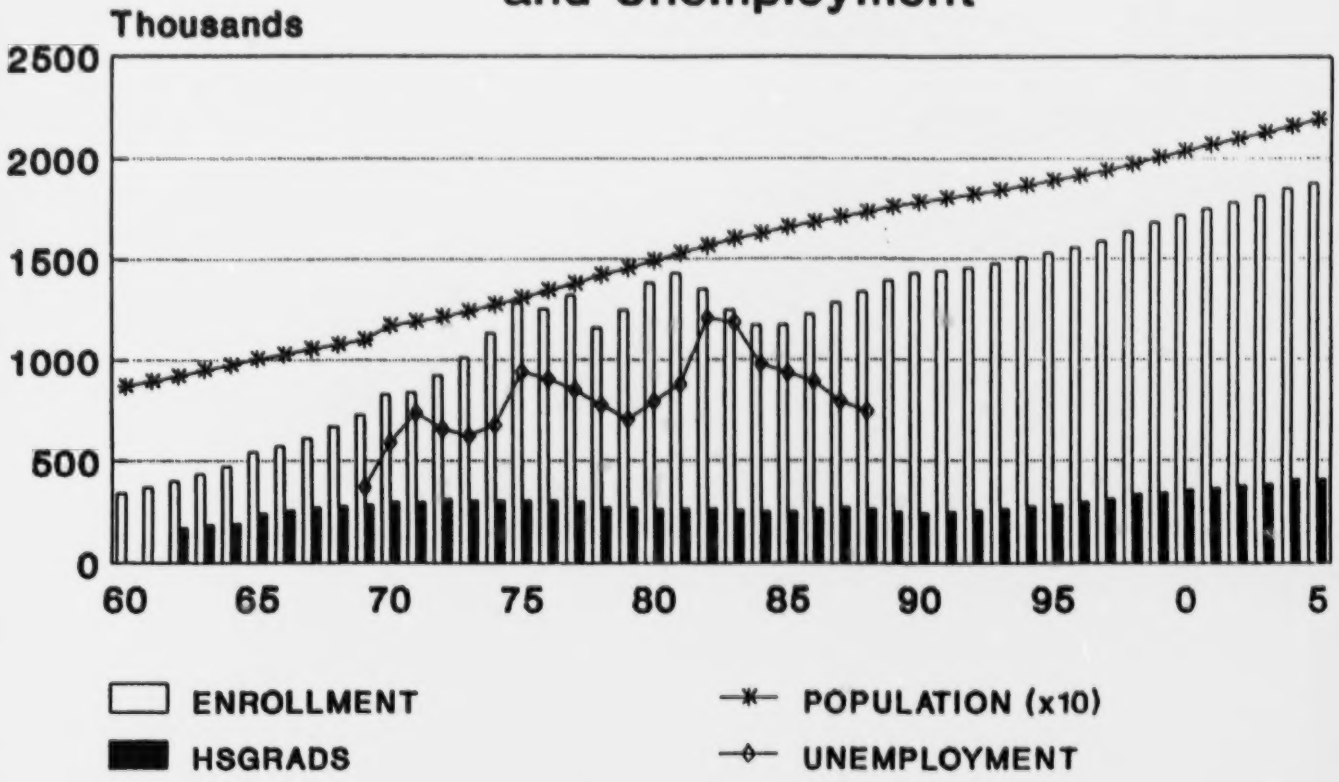
TABLE 3
California Population
Racial and Ethnic Distribution
(Percent)

	1988	2000	2010
Asian and other	9	12	13
Black	7	7	7
Hispanic	24	29	34
White	60	52	46
Total	100	100	100

As California's communities become more diverse, there is a need to prevent cultural separatism by maintaining a concern for the whole, for integration, and for collaboration. This need can be met in part by community colleges according to a 1988 report, *Building Communities*, by the American Association of Community and Junior Colleges (AACJC). This report proposes that colleges respond to these challenges by creating a climate of community where teaching is central and the college becomes a convenor or forum for thoughtful community discourse.

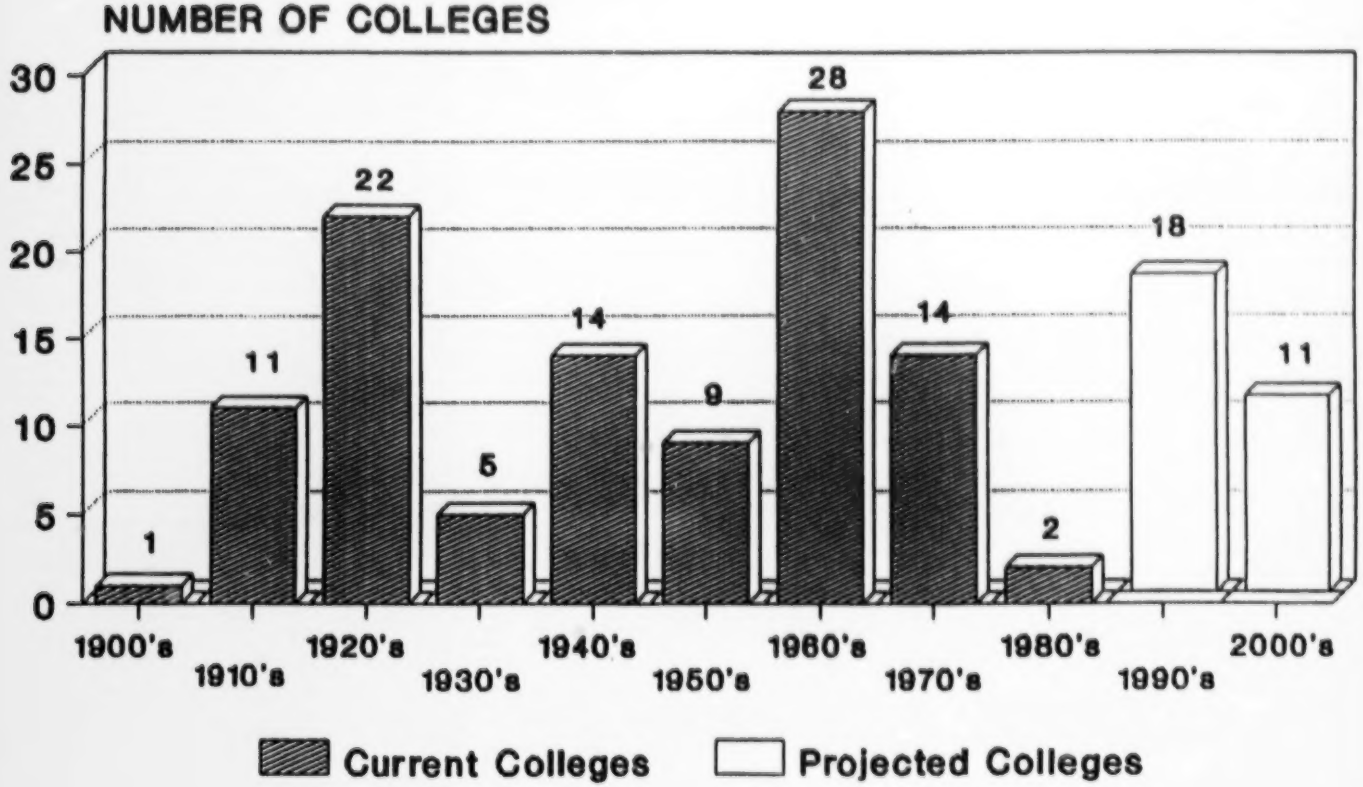
Trends already underway, according to the AACJC report, require the community college to maintain its open door and, at the same time, commit to a plan of vigorous faculty recruitment and renewal. In helping prepare the nation's future workforce, community colleges must recognize the fact that four-fifths of the new workers will be female or minority, groups traditionally underrepresented in postsecondary education. The need for a widely shared vision is cited - a vision in which the college is strengthened as a "community of learning" and where new decision-making arrangements are created and presidents become coalition builders.

Figure 1
Community College Enrollment In California (1960-2005), 18-64 Population, HS Graduates, and Unemployment



Sources: COCCC,DOF,WICHE

Figure 2
Actual & Projected Community Colleges Constructed By Decade



EDUCATING NEW WORKERS FOR NEW JOBS

While there will be changes in the labor market, the more significant changes are anticipated in the labor force, with, as a result, a potential mismatch between future jobs and individuals with the skills to occupy those jobs. This has significant implications for community colleges.

■ *The Economy Will Produce More Jobs Requiring Higher Skills*

Most future job openings will be in jobs that already exist. The U.S. Department of Labor (DOL) forecasts a high demand for individuals in retail sales, nursing, and janitorial services (Table 4). California trends, estimated by the Employment Development Department (EDD) are generally similar.

TABLE 4
Largest Growing Occupations

United States 1988-2000	California 1985-95	California 1980-90
Retail salesperson	Retail salesperson	Secretaries
Registered nurse	Cashier	Sales clerk
Janitor	Waiter/Waitress	Office clerk
Waiter/Waitress	Manager	Teacher
Manager	Office clerk	Janitor
Office clerk	Registered nurse	Cashier
Secretaries	Secretaries	Food service
Nursing aids	Bookkeepers	Sales Reps

The projected demand for managers and nurses is increasing, while the estimates for teachers and secretaries, though still high, are less than they were earlier.

Six of the eight fastest-growing jobs (in percentage, not numbers) across the nation are projected by DOL to be in the allied health occupations. By contrast, EDD estimates that four of the top eight fastest-growing jobs in California deal with computers, three with the law (lawyers, paralegals, and secretaries), and the other with agricultural engineering.

There has been considerable debate on the future character of the jobs and their skills. Some observers have predicted a two-tiered labor market of high-skilled professional jobs and low-skilled service jobs, with little in between. Others have predicted more-even growth in the job market, with a continuation of demand for middle-level skills, but where most jobs would require a generally higher level of skills.

Both DOL and EDD appear to subscribe to the latter line of thinking. DOL estimates that the proportion of jobs requiring some postsecondary education will increase from one-half to three-fourths during the 1990s. Aside from the service industry nationwide and agriculture in California, jobs with the highest growth rates are those requiring higher levels of skills (Table 5). The group growing most rapidly is that requiring professional, paraprofessional, and/or technical skills.

TABLE 5
Percent Change in Jobs by Occupational Group

Job Group	United States 1988-2000	California 1985-1995
Total	15	29
Executives and Managers	22	33
Professional and Technical	25	37
Sales and Marketing	20	34
Clerical	12	22
Service	35	23
Precision and Crafts	10	na
Agricultural	na	34
Operators and Laborers	1	23

During the next decade, many more job openings that require higher-level skills will become available than is currently the case. While the higher-skill jobs now comprise 37 percent of all jobs nationally, they will comprise 55 percent of all the new jobs (Table 6).

TABLE 6

	Existing and New Jobs In Managerial, Profess'l, Sales and Related	Service, Farm, Craft, Labor
United States		
% of jobs now	37	63
% of new jobs (1988-2000)	55	45
new jobs (in millions)	10.0	8.8
rate of growth in jobs	23%	12%
California		
% of jobs now	38	62
% of new jobs (1985-1995)	45	55
new jobs (in millions)	1.45	1.76
% rate of growth in jobs	35%	26%

California jobs are projected by EDD to grow at a much higher rate than is expected nationally. And, while the demand for higher skills will increase, the demand in California for lower-skill workers will continue to be high because of robust agricultural and construction industries.

■ *California's Labor Force Will Change Substantially*

More dramatic, however, are the projections of new workers. Currently, four of five workers nationally (three of five in California) are White (Table 7). By contrast, DOL and CCSCE both estimate that the majority of new workers will be either White women or minorities, both groups that traditionally have been underrepresented in the labor force.

TABLE 7

	Percent of Workers in United States		Percent of Workers in California	
	Workers in 1985	New Workers 1985-2000	Workers in 1988	New Workers 1988-2000
White Men	47	15		
White Women	36	42		
Non-White Men	5	7		
Non-White Women	5	13		
Immigrant Men	4	14		
Immigrant Women	3	9		
Total	100	100		
White			61	15
Asian			10	26
Black			7	4
Hispanic			22	55
Total			100	100

For California, CCSCE predicts that between now and 2000, virtually all labor force growth will occur in the 35 to 54 year-old age cohort. The number of workers under 35 will remain constant, but the composition of the labor force will change substantially. More than four of every five new workers will be non-White and about two of the four will be immigrants. However, non-Whites have tended to be unemployed more often than Whites and, when employed, they have tended to be in low-skilled jobs (Table 8).

Thus, much of the growth in new jobs in California will take place in occupations that do not typically employ those who will constitute the bulk of the new workers. Moreover, most of the job growth will take place in occupations with skills that require postsecondary education leading to certificates, associate degrees, and bachelors degrees. At present, however, the same groups that will comprise most of the new workers are underrepresented in postsecondary education.

TABLE 8

	Percent of 1988 California Workers In: Managerial, Profess'l, Sales & Tech. Support	Service, Farm, Craft, & Labor
Asian	61	39
Black	56	44
Hispanic	31	69
White	72	28

■ *The Need to Educate the Underrepresented Will Increase*

The role of California's community colleges in helping solve the potential mismatch between jobs and the future labor force is significant. The 107 colleges not only educate, train, and retrain individuals for most of the new jobs,-they also enroll more individuals from the groups that will comprise most of the new workers than do other institutions of postsecondary education in California.

Despite the community colleges' low cost and open admissions, improvements in access for the underrepresented are needed. Black enrollment has declined in California community colleges during the past decade (Figure 3), as it has in all of postsecondary education. And, historically, Hispanics have exhibited the lowest community college participation rates (enrollment divided by population), although that appears to be improving, in part because of the amnesty program (Figure 4). Improvements in both

Figure 3
California Community Colleges
Minority Enrollments 1976-1988

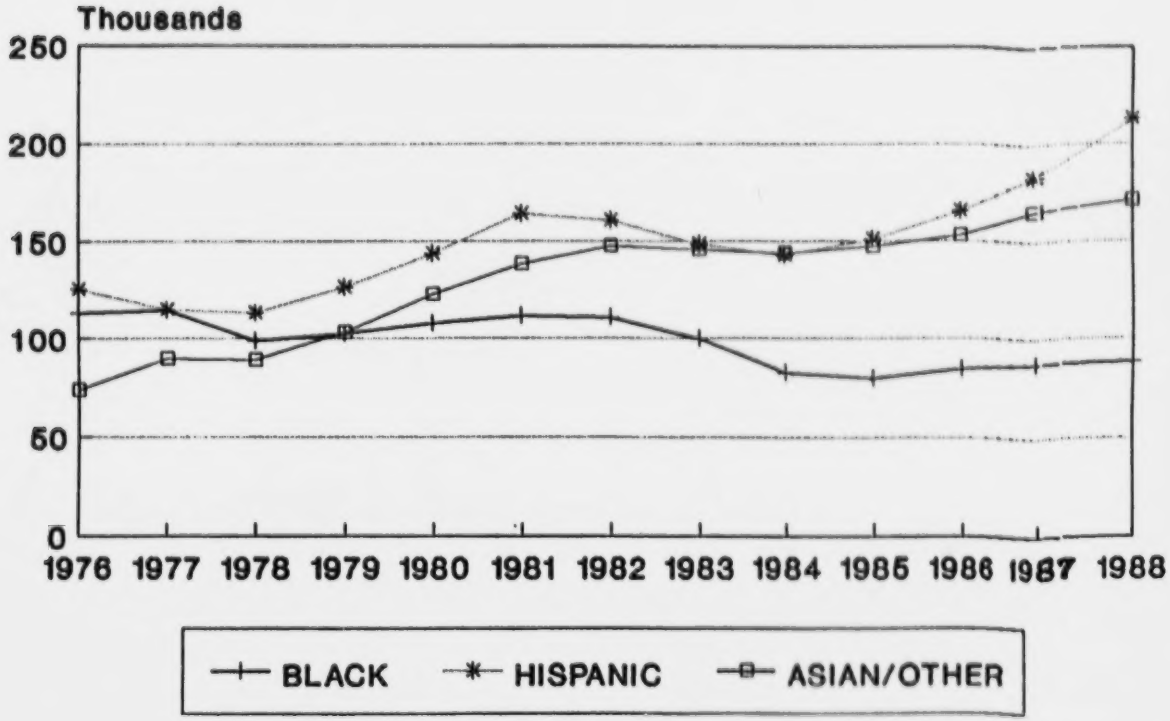
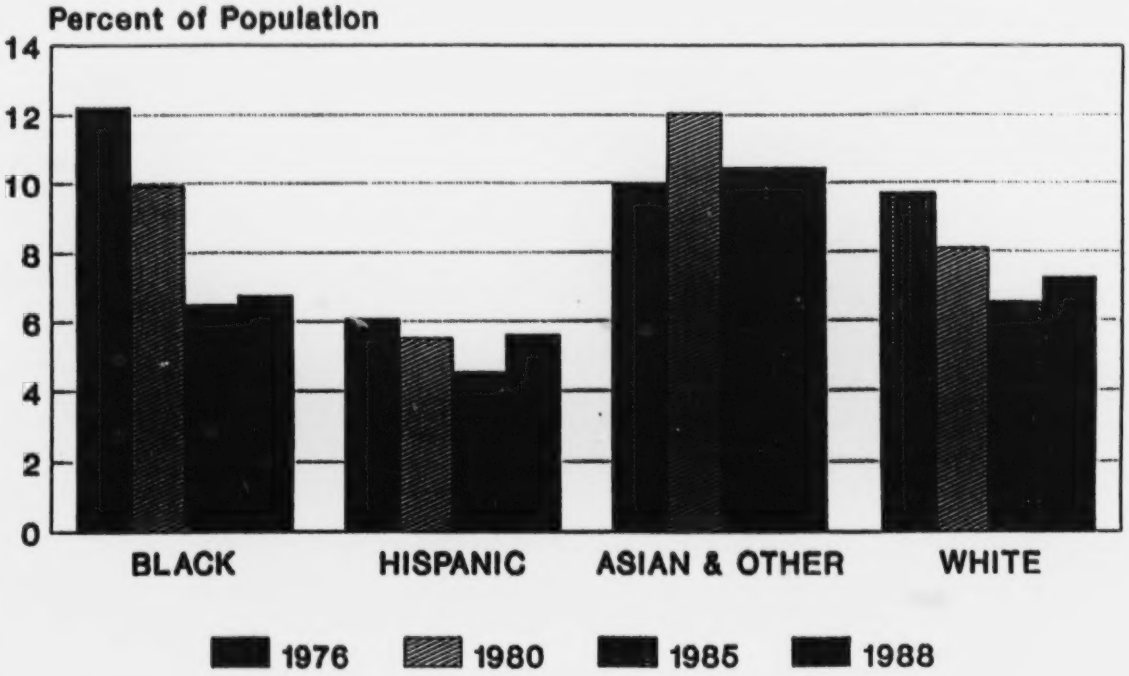


Figure 4
California Community Colleges Enrollment As Percent of Population By Ethnicity



Source: Demographics Research Unit (DOF)

Black and Hispanic participation are especially important because these two groups will comprise over half of all new workers in California during the next decade. The other rapidly growing minority group, Asian, has been well-represented in the past; however, its participation appears to have stabilized and also needs improvement if the job skill demands of the labor market are to be met by the future labor force.

TRANSPORTATION AND TRAINING

Community colleges are commuting institutions and transportation and parking are major factors in their accessibility. Moreover, four of every five community college students work, either full- or part-time. And, many of these individuals are in need of child care as well. Today, about half of all children under 18 have working mothers and the percentage is increasing (see *Looking Ahead*, 1987). And, it has been estimated that three-fifths of the children born in California in 1983 will live with only one parent before reaching the age of 18 at the turn of the century. Consequently, more future community college students will face a schedule in which they will be commuting between home, work, child care, and college.

- *More Students Will Commute to Retrain*

The increasing difficulty of student commuting is illustrated by a 1988 report from the California Economic Development Corporation (CEDC), Vision: California 2010. CEDC estimates that the average commute time for today's Californian - three-quarters of an hour - will increase to two hours by the year 2010 unless the state's economic growth is robust and steps are taken to cope with traffic problems. If appropriate steps are taken, according to CEDC estimates, the average commute time in 2010 might be held to one hour - a one-third increase over today's average.

Roughly half of those enrolled in a California community college indicate their objective is an occupational education (see Field Research Corporation, 1986). Of this group, one-third is training for a first career job; one-third is retraining for a different job; and the remaining one-third is enrolled to improve current job skills. Because of technological change and the aging of the workforce, it is likely that job retraining and upgrading will become far larger components of college instruction in the future.

- *The Need For New Instructional Methods Will Increase*

One alternative to expanding existing campuses and establishing more new campuses, as discussed above, is to take more instruction off campus, possibly to the worksite. Locating instruction near child-care facilities or establishing child-care facilities on campus, can reduce the commuting burden of many working parent/students. Greater collaboration with business and industry can (1) reduce the time spent commuting to and from campus and job, and (2) provide training on the latest state-of-the art equipment at the worksite. This can be especially important for disciplines undergoing rapid technological change and in which colleges have difficulty in maintaining state-of-the art equipment.

In addition to moving more instruction off campus, other alternatives that could help maintain access for working students include: revised scheduling to "smooth" peak-loading problems; possibly utilizing more afternoon/weekend or year-round operation; better coordination of class schedules with working hours; greater use of instructional technology like television and computer-aided instruction (CAI); more sharing of facilities with other segments of education; and improved utilization of existing college facilities.

NATIONAL AND INTERNATIONAL DEVELOPMENTS

Trends outside California affect the state's the community colleges in at least three major ways:

- immigration
- foreign trade
- defense policies

■ *More Students Will be Immigrants*

A continuation of present federal immigration policies will contribute to many of the consequences described above. The Immigration Reform and Control Act (IRCA) of 1986 resulted in an amnesty program under which 1.6 million individuals (55 percent of the 3 million nationwide) are eligible to obtain legal status and permanent residency or citizenship in California.

Thus far, an estimated 900,000 individuals have applied and undertaken the required education through the amnesty program in California. Over 100,000 of these have enrolled in community colleges and many will continue their education beyond the amount required for citizenship in order to prepare for jobs and, in some cases, for transfer to four-year institutions.

■ *Pacific Rim Trade Will Continue to Benefit The State's Economy*

Foreign trade and the international marketplance are of majorimportance to California's economy and to its community colleges. Foreign trade is a leading component of the nation's economic growth and California's role in this is increasing. In 1980, the state accounted for 12 percent of the nation's imports and exports. This figure increased to over 18 percent by 1988, accounting for nearly $1 of every $5 in U.S. trade. According to CCSCE and other experts, Pacific Rim trade - now more than one-third of the nation's worldwide trade - will continue to increase faster than all foreign trade, and California will benefit by its disproportionate role in that activity.

■ *California May Not be Affected by Reductions in Defense*

Recent events in Eastern Europe and subsequent discussions of the "peace dividend" are important to California's economic growth and the resulting public-sector, revenue-raising capability. California receives one-fifth of all U.S. defense outlays. But, defense budgets have declined (in real terms) since 1985 and the President's budget for 1991 contains the first explicit plan for long-term reductions in defense.

The economy of California was severely affected by the defense spending reductions of the early 1970s. The State Finance Commission (SFC), however, in its *Quarterly General Fund Forecast* (March 1990) concludes that future defense reductions will not have a "dramatic impact on California's overall economy." According to SFC, this is because (unlike the early 1970s): (1) reductions are likely to be gradual, (2) aerospace spending is rising, (3) California's economy is quite diversified, and (4) modest inflation will enable monetary authorities to undertake expansionary policies if necessary.

TAXING AND SPENDING

SFC, CCSCE, and others are forecasting a generally healthy California economy during the 1990s. This would bode well for the community colleges' ability to meet their challenges were it not for the several constraints on public taxing, spending, and financing that currently exist in California.

■ *Bonding May Not be Sufficient For Needed Capital Outlays*

Recent computer simulations by the Chancellor's Office suggest that even with improved utilization of facilities, the cumulative capital outlay expenditure needs of community colleges will total $2.9 billion by 2005, an average of nearly $190 million per year over the 16-year period from 1990 to 2005. Using comparable data, analysis by CPEC shows that the annual capital expenditure needs of the three segments of public higher education - University of California (UC), California State University (CSU) and the California Community Colleges - will exceed a total of $500 million per year.

During the last large expansion of physical plant, the segments of public higher education relied on several sources of support. Currently, revenue and general obligation bonds are the principal source of support for capital outlay. The State Treasurer's Office estimates that California can market about $2 billion in bonds each year. The segments' needs described above account for more than one-fourth of this total. By contrast, the segments' share of bonds financed in 1988 was 11 percent. The CPEC report concludes that "against other infrastructure needs of the State" it is doubtful that "higher education can more than double its percentage of California's total bonding capacity."

Proposition 121, before the voters in June 1990, would provide $450 million in bonds for facilities in all three segments. A second higher education facilities bond measure for an additional $450 million is expected to be on the November 1990 ballot. However, the two bond issues would provide for just two years of capital funding given the rates of growth described above.

■ *Proposition 111 Would Expand Education Spending This Decade*

Also significant are the limitations on operating budget expenditures. The State's spending or "Gann" limit is based on 1979-80 levels, adjusted for population growth and inflation. The inflation rate is defined as the smaller of the state's change in personal income per capita or consumer price index (CPI). Any revenue raised above the spending limit is to be returned to taxpayers. Because of high inflation, the spending limit enacted in 1980 did not fall below revenues until 1987, at which time the State returned $1.1 billion to the taxpayers.

Proposition 98 (1988) provided that in the future: (1) elementary and secondary and community college (K-14) education would receive not less than their 1987-88 proportion (about 40%) of General Fund revenues, and (2) a portion of any excess revenue (over the Gann spending limit) would be returned to K-14 permanently, as well as to taxpayers on a one-time basis. CPEC has concluded that this proposition creates "new and potentially dire problems" for UC and CSU "in the event of revenue downturns."

SFC estimates that during the next decade - under current law - the State would collect a cumulative total of $22.6 billion more in revenues than it could spend. Part of this excess would be allocated to K-14 education and part to taxpayers. Passage of Proposition 111 in June would change this, largely by raising the spending limit (Table 8).

Proposition 111 would change the spending limit and Proposition 98 so that (1) income per capita becomes the inflation factor for increasing the spending limit and the minimum-funding guarantee for K-12 and the community colleges, (2) certain expenditures are excluded from the limit, and (3) excess revenues allocated to K-12 and community colleges would not become part of their permanent funding guarantee. Another result of this proposition passing would be that the community colleges' share of the K-14 guarantee would be stabilized at the 1989-90 revenue level - just over 10 percent - adjusted for future enrollment growth.

The main reason Proposition 111 provides a higher spending limit is that income per capita (the proposed measure of inflation) is projected by SFC to increase at an average annual rate of 6.4 percent as compared to 5.1 percent for the CPI (the current measure of inflation). According to the SFC estimates, K-12 and the community colleges would receive more revenue under the provisions of Proposition 111 until 1997, after which time they would receive more revenue under the provisions of current law. Under Proposition 111, the two segments' share of the budget is relatively constant. Under current law, their share of the budget increases from offsetting reductions in other programs - UC and CSU, for example - by the turn of the century.

TABLE 9

Spending Limits, K-12 and Community College Share
Current Law and Proposition 111 (1990)

	1990	1995 (in $billions)	2000
Current Law			
Spending Limit	$29.3	$40.5	$56.9
Programs Subject To Limit	$28.8	$41.3	$64.8
K-14 Share	$15.9	$24.3	$39.7
% of State General Fund	41.2%	42.6%	44.8%
Proposition 111 (1990)			
Spending Limit	$29.3	$45.0	$67.6
Programs Subject To Limit	$28.8	$41.3	$64.8
K-14 Share	$15.9	$25.0	$37.3
% of State General Fund	41.3%	43.8%	42.0%

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